

Board pursuant to subchapter II of chapter 113 of title 49, but in no event shall the rendition of services by the Secretary or his assignee await the outcome of proceedings before the reorganization court or the Board.

(c) Certificate as administrative expense; priority of certificate

The Secretary shall not guarantee any certificate under this section unless such certificate is treated as an expense of administration and receives the highest lien on the railroad's property and priority in payment under the Bankruptcy Act, except that this subsection shall not apply to certificates guaranteed for a railroad that is actively engaged in restructuring, as defined by the Secretary. For purposes of this subsection, the term "restructuring" includes an employee ownership plan or an employee-shipper ownership plan.

(d) Interest rate; date of maturity; other terms and conditions

A certificate under this chapter shall bear interest at such per annum rate as the Secretary deems reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the Federal Government; nor may its maturity date, including all extensions and renewals thereof, be later than fifteen years from the date of original issuance. The Secretary may prescribe such other terms and conditions as he deems appropriate. In each case, the Secretary shall consider the feasibility of requiring the railroad to dispose of nonrailroad assets as a condition to a guarantee.

(e) Maximum aggregate principal amount outstanding

At any one time the outstanding aggregate principal amount of all certificates guaranteed under this chapter shall not exceed \$200,000,000.

(f) Rules and regulations

The Secretary shall issue such rules and regulations as are appropriate to carry out the authority granted by this chapter.

(Pub. L. 91-663, § 3, Jan. 8, 1971, 84 Stat. 1975; Pub. L. 95-598, title III, § 333, Nov. 6, 1978, 92 Stat. 2679; Pub. L. 95-611, § 3(b), Nov. 8, 1978, 92 Stat. 3089; Pub. L. 96-86, § 115(a), Oct. 12, 1979, 93 Stat. 662; Pub. L. 96-101, § 7(a)-(c), Nov. 4, 1979, 93 Stat. 739, 740; Pub. L. 104-88, title III, § 325(2), Dec. 29, 1995, 109 Stat. 951.)

REFERENCES IN TEXT

The Bankruptcy Act, referred to in subsecs. (a) and (c), is act July 1, 1898, ch. 541, 30 Stat. 544, as amended, which was classified generally to former Title 11, Bankruptcy. Section 77 of this Act was classified to section 205 of former Title 11. The Act was repealed effective Oct. 1, 1979, by Pub. L. 95-598, §§ 401(a), 402(a), Nov. 6, 1978, 92 Stat. 2682, section 101 of which enacted revised Title 11. For current provisions relating to railroad reorganization, see subchapter IV (§ 1161 et seq.) of chapter 11 of Title 11.

AMENDMENTS

1995—Subsec. (a). Pub. L. 104-88, § 325(2)(B), substituted "Board" for "Commission" in introductory provisions.

Subsec. (b). Pub. L. 104-88 substituted "Board" for "Commission" wherever appearing and "subchapter II

of chapter 113 of title 49" for "the provisions of section 5 of the Interstate Commerce Act" in par. (4).

1979—Subsec. (a). Pub. L. 96-101, § 7(a), struck out "upon a finding that the guarantee of certificates is necessary in order for a railroad which has received continued loan advances, pursuant to section 721(d)(1) of this title, to maintain rail services in the region (as such term is defined in section 702(15) of this title)" after "of this subsection" and provision requiring that Secretary not make any waiver under preceding sentence after Dec. 31, 1979.

Subsec. (c). Pub. L. 96-101, § 7(b), added subsec. (c). Former subsec. (c) was repealed by Pub. L. 95-598. See 1978 Amendment note below.

Subsec. (e). Pub. L. 96-101, § 7(c), substituted "\$200,000,000" for "\$125,000,000" and struck out provision requiring that with respect to a railroad which filed a petition for reorganization during fiscal year 1978, during period Oct. 1, 1979, through Nov. 30, 1979, certificates be issued without regard to limitations of subsec. (a) of this section and with such priority in payment as Secretary deems appropriate to secure repayment, for purpose of continuing service on railroad system at level in effect on Oct. 1, 1979.

Pub. L. 96-86 provided that, with respect to a railroad which filed a petition for reorganization during fiscal year 1978, during period Oct. 1, 1979, through Nov. 30, 1979, certificates shall be issued without regard to limitations of subsec. (a) of this section and with such priority in payment as Secretary deems appropriate to secure repayment, for purpose of continuing service on railroad system at level in effect on Oct. 1, 1979.

1978—Subsec. (a). Pub. L. 95-611 inserted provision authorizing Secretary to waive requirements of paragraphs (1), (5), and (6) of subsec. (a) until Dec. 31, 1979.

Subsec. (c). Pub. L. 95-598 struck out subsec. (c) which related to treatment of a certificate as an administrative expense and priority of the certificate.

EFFECTIVE DATE OF 1995 AMENDMENT

Amendment by Pub. L. 104-88 effective Jan. 1, 1996, see section 2 of Pub. L. 104-88, set out as an Effective Date note under section 701 of Title 49, Transportation.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-598 effective Oct. 1, 1979, see section 402(a) of Pub. L. 95-598, set out as an Effective Date note preceding section 101 of Title 11, Bankruptcy.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 664, 666, 906 of this title.

§ 663. Inspection of accounts, books, etc., of railroad receiving financial assistance

The Secretary is authorized to, and shall as necessary, inspect and copy all accounts, books, records, memorandums, correspondence, and other documents of any railroad which has received financial assistance under this chapter concerning any matter which may bear upon (1) the ability of such railroad to repay the loan within the time fixed therefor, (2) the interest of the United States in the property of such railroad, and (3) to insure that the purpose of this chapter is being carried out.

(Pub. L. 91-663, § 4, Jan. 8, 1971, 84 Stat. 1976.)

§ 664. Issuance of obligations to Secretary of the Treasury

(a) Forms and denominations; maturity dates; terms and conditions; interest rate; purchase and sale of obligations by Secretary of the Treasury; authorization of appropriations

To enable the Secretary to carry out his rights and responsibilities under section 662 of this